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LARSON STATEMENT ON FINAL FINDINGS OF FINANCIAL CRISIS COMMISSION

Washington, DC-U.S. Congressman John B. Larson, Chairman of the House Democratic Caucus and author of legislation that created the Financial Crisis Inquiry Commission, released the following statement on the [final report](#) on the causes of the financial crisis, which stated that the crisis was avoidable and a result of human actions, inactions and misjudgments.

“After interviews with more than 700 witnesses, review of millions of pages of documents to investigate the role of government and financial institutions, the panel’s conclusions might surprise a few, but were well known by many. Risk and greed in our nation’s financial firms combined with unprepared and ineffective regulatory agencies led to breakdowns in our financial markets and economy, where the only people held liable for this recklessness were the American people.

“It was the American people that watched as their retirement accounts and investments-their life work- shrunk to fractions of their previous worth. This report sheds light on how breakdowns in the financial system rife with dark markets and over-the-counter derivatives, lax corporate governance policies, excessive borrowing, and a lack of overall accountability consequently put the financial stability of our families, small businesses, and seniors in danger.

“This report will continue the process of ending the practices of the old and should reinforce our resolve to fully implement regulations and Wall Street reform measures. I’m convinced now, more than ever, that slowing the implementation of Dodd-Frank would only further hurt the American people.

“I would like to thank and congratulate Chairman Phil Angelides and members of the FCIC for their determined efforts to deliver this extensive report to the President, the Congress, and the American people. The warning signs were there, the crisis was preventable, now we must move forward to fix a broken system and protect the American people. This is the antidote to address the diseases in our economic and financial system.”

Congressman Larson led the call for the creation of a modern-day “Pecora Commission” beginning in September of 2008. He [introduced legislation](#) in 2009 to create a commission to investigate the true causes of the economic crisis our country faced, and to provide recommendations on what we could do to prevent it from happening in the future.

After passage of the legislation, the Financial Inquiry Crisis Commission began its work on September 17th, 2009.

Among the [conclusions](#) The Financial Crisis Inquiry Commission found in their report was that:

- The financial and economic crisis in 2008 was avoidable;**
- Widespread failures in financial regulation, including the Federal Reserve’s failure to stem the tide of toxic mortgages;**
- Over-the-counter derivatives contributed significantly to the economic crisis**
- Collapsing mortgage-lending standards and the mortgage securitization pipeline lit and spread the flame of contagion and crisis;**
- Dramatic breakdowns in corporate governance including too many financial firms acting recklessly and taking on too much risk;**

-An explosive mix of excessive borrowing and risk by households and Wall Street that put the financial system on a collision course with crisis;

-And there were systemic breaches in accountability and ethics at all levels.

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